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June 21, 2011

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

FEE RECEIVED

JUN 21 2011

**SURFACE
TRANSPORTATION BOARD**

**Re: Virginia Port Authority – Acquisition Exemption – Norfolk and
Portsmouth Belt Line Railroad Company
STB Docket No. FD 35532**

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding, please find an original and ten (10) copies of Virginia Port Authority's Verified Notice of Exemption. An extra copy of this filing is also included to be stamped and returned to the undersigned.

A check in the amount of \$1,500.00 is enclosed to cover the applicable filing fee.

Please feel free to contact me if you have any questions.

Regards,

Thomas W. Wilcox

Thomas W. Wilcox
Attorney for Virginia Port Authority

ENTERED
Office of Proceedings

Enclosures

JUN 21 2011

Part of
Public Record

FILED

JUN 21 2011

**SURFACE
TRANSPORTATION BOARD**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. FD-35532

**VIRGINIA PORT AUTHORITY
— ACQUISITION EXEMPTION —
NORFOLK AND PORTSMOUTH BELT LINE RAILROAD COMPANY**

VERIFIED NOTICE OF EXEMPTION

FILED
JUN 21 2011
**SURFACE
TRANSPORTATION BOARD**

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*Special Counsel to
the Virginia Port Authority*

Dated June 21, 2011



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**BEFORE THE
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FINANCE DOCKET NO. FD-35532

**VIRGINIA PORT AUTHORITY
— ACQUISITION EXEMPTION —
NORFOLK AND PORTSMOUTH BELT LINE RAILROAD COMPANY**

VERIFIED NOTICE OF EXEMPTION

Comes now the Virginia Port Authority (“VPA”), a noncarrier, and submits this Verified Notice of Exemption pursuant to 49 C.F.R. § 1150.31, *et seq.*, to acquire from the Norfolk and Portsmouth Belt Line Railroad Company (“Belt Line”) certain physical assets of the railroad line and associated right-of-way between a point on Belt Line’s track known as West Junction westward and across Hampton Boulevard to a point of connection with VPA track on VPA property, a distance of approximately 5,700 feet, located on Sewell’s Point in the City of Norfolk, VA (the “Line”). VPA is simultaneously filing a Motion to Dismiss this Notice of Exemption as not requiring authorization from the Surface Transportation Board (“STB” or “Board”) under the *State of Maine*¹ line of cases. VPA does not intend to become a rail common carrier subject to STB jurisdiction as a result of the transaction. Therefore, the parties have structured the transaction so that the Belt Line will retain a permanent, exclusive, and irrevocable freight easement to provide common carrier rail freight service on and over the Line.

Pursuant to 49 C.F.R. § 1150.33, VPA provides the following information in support of this Notice of Exemption:

¹ *Maine, DOT—Acq. Exemption, Me. Central R. Co.*, 8 I.C.C. 2d 835 (1991).

(a) Name, address and telephone number of the applicant:

Virginia Port Authority
600 World Trade Center
Norfolk, VA 23510
(757) 683-8000

(b) Name, address and telephone number of applicant's representative:

Thomas W. Wilcox
GKG Law, P.C.
1054 31st Street NW, Suite 200
Washington, D.C. 20007
Tel: (202) 342-5248

(c) Details about when an agreement will be reached:

VPA and the Belt Line have agreed upon a Real Estate Purchase Agreement, a Deed, and an Operating Agreement relating to VPA's acquisition of the Line. The foregoing documents are attached as exhibits to VPA's Motion to Dismiss.

(d) The operator of the property:

The Belt Line will continue to be the operator of the Line pursuant to a permanent, exclusive, and irrevocable freight easement.

(e) Brief summary of the proposed transaction:

(1) Name and address of railroads transferring the subject property:

Norfolk and Portsmouth Belt Line Railroad Company
P. O. Box 7547
Portsmouth, VA 23707
(757) 393-2631

(2) The proposed time schedule for consummation of the transaction:

VPA expects to consummate the proposed transaction immediately after the Board's decision on its Motion to Dismiss this Notice of Exemption. The Motion to Dismiss asks the Board to issue its determination on or before August 1, 2011 in order to enable VPA to meet certain deadlines affecting the purchase of the Line. Specifically, VPA is the recipient of grant

funds from the Virginia Department of Rail and Public Transportation ("DRPT") for the construction of a new rail yard on the property once it is acquired.

Part of the construction entails the construction of a side track for the use of the Belt Line for locomotive run-around operations as part of its permanent, exclusive, and irrevocable freight easement to continue to provide common carrier rail operations over the Line. However, in order for VPA to receive these funds, the planned construction must be completed by October, 2011. In order to meet this October deadline, VPA must become the owner of the Line and begin construction no later than August 2, 2011.

(3) The mileposts of the subject property, including any branch lines:

The Line is depicted on the map attached hereto as Exhibit A. The Belt Line does not use mileposts for this section of its track. The track runs in an east-west direction between a point on Belt Line's track known as West Junction westward and across Hampton Boulevard to a point of connection with VPA track on VPA property, a distance of approximately 5,700 feet.

(4) The total route miles being acquired:

VPA will acquire approximately 1.18 miles.

(f) A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties and states:

A map of the subject railroad track is attached hereto as Exhibit A.

(g) A certificate that applicant's projected revenues do not exceed those that would qualify it as a Class III carrier:

VPA certifies that because it does not intend to operate the Line or to become a common carrier, VPA will not have freight revenues as a result of this transaction. As such, VPA will not exceed the \$5 million annual revenue threshold for a Class III carrier.

(h) Interchange commitment:

The agreements evidencing this transaction do not contain any provisions that would limit future interchange with a third-party connecting carrier.

(i) Caption summary:

A caption summary for this proposed transaction in the form set forth by the STB is attached hereto as Exhibit B.

(j) Verification:

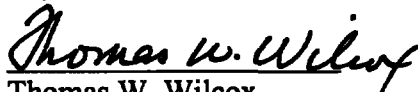
A verification of the information contained in this Notice of Exemption is attached hereto as Exhibit C.

(k) Environmental and Historic Reports:

Pursuant to 49 C.F.R. §1105.6(c)(2), the proposed transaction is exempt from environmental review under 49 C.F.R. §1105.6(c)(2)(i), because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5). Likewise, inasmuch as the transaction involves the continuation of rail services and VPA has no plans to alter or dispose of any assets that are fifty years old or older, the transaction does not require an historic report, in accordance with 49 C.F.R. §1105.8(b)(1).

Jeffrey R. Allen
Assistant Attorney General
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900 East Main Street
Richmond, Virginia 23219
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Respectfully submitted,



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*Special Counsel to
the Virginia Port Authority*

Dated: June 21, 2011

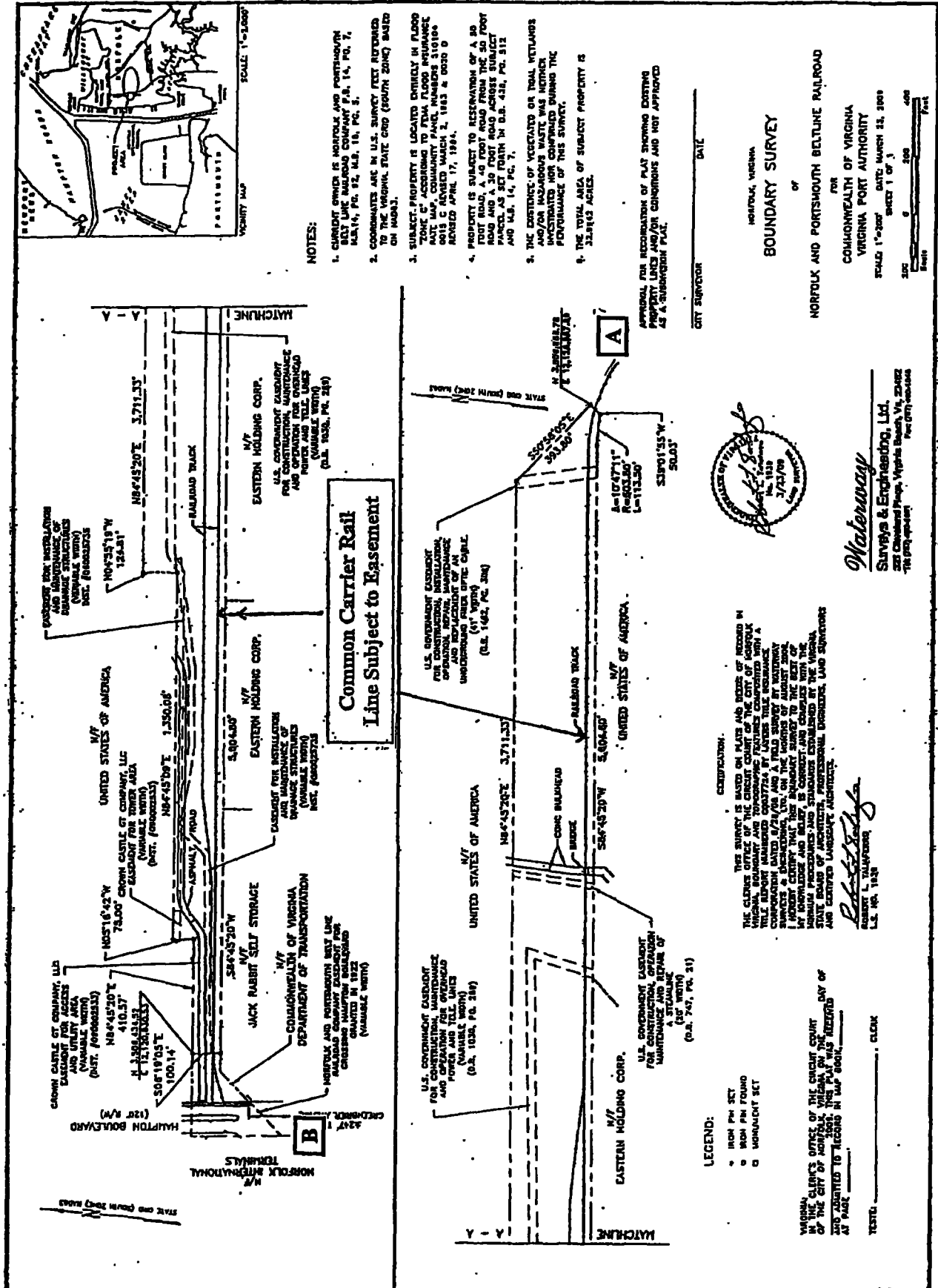


Exhibit B - CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Finance Docket No. 35532

**VIRGINIA PORT AUTHORITY
— ACQUISITION EXEMPTION —
NORFOLK AND PORTSMOUTH BELT LINE RAILROAD COMPANY**

Virginia Port Authority has filed a Notice of Exemption to acquire certain physical assets of the railroad line and associated right-of-way of the Norfolk and Portsmouth Belt Line Railroad Company located between a point on Belt Line's track known as West Junction westward and across Hampton Boulevard to a point of connection with VPA track on VPA property, a distance of approximately 5,700 feet comprising a total distance of 1.18 miles on Sewell's Point in the City of Norfolk, VA. Comments must be filed with the Board and served on Thomas W. Wilcox, GKG Law, P.C., 1054 31st Street, NW, Suite 200, Washington, D.C. 20007, (202) 342-5248.

The notice is filed under 49 C.F.R. § 1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Exhibit C

VERIFICATION

I, David M. James, verify under penalty of perjury that the foregoing is true and correct.

Further, I certify that I am qualified and authorized to file this Verified Notice of Exemption.

Executed on June 21, 2011.

A handwritten signature in cursive script, appearing to read "David James", is written over a horizontal line.

David M. James
Director of Contracts and Real Estate
Virginia Port Authority